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C O N F I D E N T I A L SECTION 01 OF 02 BAKU 000409

SIPDIS

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TAGS: PGOV PREL AJ

SUBJECT: AZERBAIJAN: WILLING TO ASSUME GREATER TRANSPORT

SERVICES TO AFGHANISTAN

Classified By: CDA DLU, for reasons 1.4 (b,d)

AZERBAIJAN: WILLING TO ASSUME GREATER TRANSPORT SERVICES TO AFGHANISTAN

11. (C) Summary. On April 28, U.S. TRANSCOM Commander General McNabb met with Deputy Foreign Minister Araz Azimov to discuss the status of Northern Distribution Network (NDN). Azimov focused on Russia's reaction to NDN activities and wondered aloud if there was a risk in using Georgia as a transit country. Azimov expressed concern with an ability to control containers leaving Afghanistan, as Soviet experience showed that there had been a high profit incentive for Soviet officers to fill returning cargo shipment with contraband and narcotics. General McNabb later met with Deputy Minister of Transportation Ziya Mammadov, who stated that Azerbaijan has greater rail and waterway transport capacity for TRANSCOM's use. Baku Port Director Elchin Mirzayev said he is looking forward to more business for the port due to large scale reconstruction efforts in Afghanistan. End Summary

AZIMOV SKEPTICAL ON GEORGIA AS TRANSIT POINT, CONCERNED ABOUT RETURNING CONTAINERS FROM AFGHANISTAN

- 12. (C) Deputy Foreign Minister Araz Azimov, meeting April 28 with U.S. TRANSCOM Commander General McNabb, expressed concern about instability within Georgia and cited Russia's ability to damage transit infrastructure, based on the August 2008 conflict. General McNabb assured Azimov that Georgia is not a problem for the Northern Distribution Network (NDN) and that the U.S. considers the Georgia-Azerbaijan route as one of several transit options available.
- ¶3. (C) Azimov, who was an interpreter for the Soviet Army in Afghanistan in the late 1970s, also relayed concerns about the inability to control shipment containers from Afghanistan. Drawing on the Soviet experience in that country, Azimov said Soviet officers would fill returning containers with opium that garnered high profits within the former Soviet Union, while also contributing to the heroine addition that continues to plague Russia today. Azimov hinted that the U.S. could unwittingly add to the narcotics trafficking problem due to lack of control over the supply route exit Afghanistan.

MAMMADOV: "ALL INFRASTRUCTURE" AT TRANSCOM'S DISPOSAL

14. (C) In a very cordial meeting, General McNabb noted to Minister of Transportation Ziya Mammedov that of the eleven countries now involved in the NDN transport plan, Azerbaijan had been the first to say "yes." Half of the 200 non-lethal containers that the USG had recently sent to Afghanistan had passed through Azerbaijan, and that no problems with transport or customs clearance had been reported. The United

States appreciates the cooperation of Azerbaijan on this front, including Baku's willingness to host a logistics conference, based on NDN, last fall. The USG, he said, is still looking for additional opportunities to move cargo through Azerbaijan and procure some goods locally, based on initial success.

15. (C) Minister Mammadov noted that President Aliyev had instructed him to modernize facilities and infrastructure — a task that would be difficult and expensive. Mammedov said that cargo volumes of 5 million metric tons per year could be increased, and pledged to implement transportation improvements to increase capacity to 30,000 containers per year. Azerbaijan also plans to complete a new commercial port at Alat, 70 kilometers south of Baku. Mammadov said that eight rail ferries were currently operating at 80 percent capacity and moving 40-50 million metric tons of goods per year.

WAITING FOR THE US TO COME BACK

16. (C) Baku Port Director Elchin Mirzayev said to General McNabb that he has waited six years for the U.S. "to come back" and reported that the port stands ready to receive more containers. Mirzayev, who shares logistics responsibilities with military colleagues, said the port has seen increased volume despite the economic downturn and attributes this to more products coming from Iran and greater volumes of trade in oil-related goods with Kazakhstan. Mirzayev looks forward to large scale reconstruction in Afghanistan bringing more business to Baku Port.

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 $\underline{\mbox{1}} 7.$ (C) General McNabb did not have the opportunity to review this cable before he left Baku. LU